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Thailand

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Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

TH9114 Domestic and export prices of white rice and parboiled rice declined 3-6 percent as the current MY2008/09 intervention program ended. Market prices will likely continue to trend downward in anticipation of the government stock release.

General Information:

Indicative Prices (Week Ending Aug. 3):

Thailand: Export (FOB) Prices for various grades of rice (USD/MT)

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	930	-	980	-	970	920	-	950	950
WR 100 B	560	-	560	-	560	560	560	560	590
PB 5%	560	-	600	-	570	570	590	578	609
WR 5%	530	-	530	-	530	535	540	537	568
WR 10%	520	-	-	-	520	525	-	522	547
WR 15%	490	-	-	-	-	505	-	498	515
WR 25%	440	-	-	-	-	445	-	443	458
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	290	-	310	-	310	310	-	305	319
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.8 baht/US \$

Source: Average actual prices received from exporters

Market Tone

Domestic and export prices of white rice declined 3-6 percent as the current MY2008/09 second-crop intervention program ended (July 31). The program bought 5.1 million tons of paddy (out of the target of 6.0 million tons) worth nearly 60 billion baht (\$1.8 billion), of which 4.4 million tons are white rice paddy. Farm gate prices of white rice paddy dropped significantly at the end of the program. However, foreign demand for Thai white rice remains quiet as Vietnamese prices are \$150/MT cheaper. In addition, export prices of parboiled rice declined significantly as large-volume contracts for Nigeria reportedly have been met. Also, the Commerce Ministry's plan to release intervention stock of white rice paddy for parboiled rice production has a psychological impact on domestic parboiled rice prices despite the fact that most paddy under the intervention program is milled.

Under the Price Insurance scheme which will replace mortgage scheme in the new intervention program for MY2009/10 main crop, insured prices of white rice paddy were set at 10,000 baht/ton (\$296/MT) (based on average production cost with profit margin of 30 percent), as compared to intervention prices in the previous mortgage scheme at 10,800 – 12,000 baht/ton (\$319-354/MT). Meanwhile, the Ministry of Agriculture and Cooperatives is reviewing insured prices for fragrant rice paddy which are expected to be based on profit margin of 10-20 percent. Market prices will likely trend downward in anticipation of the government stock release. The Government is inspecting quality of rice in the intervention stocks to set benchmark prices for this month's stock release. As of the end of July, outstanding intervention rice stocks are estimated at 7-8 million tons of rice, of which 1.6 million tons are old-crop intervention stocks (mostly MY2007/08 crops).

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
May 31	132,053	143,853	2,365	3,748	-36.9
Jun 7	134,312	144,811	2,500	3,944	-36.6
Jun 8	134,312	144,811	2,500	3,944	-36.6
Jun 14	149,198	147,441	2,649	4,120	-35.7
Jun 21	118,359	133,481	2,767	4,291	-35.5
Jun 28	154,497	139,841	2,925	4,488	-34.8
Jul 5	120,707	136,440	3,045	4,657	-34.6
Jul 12	87,365	120,982	3,133	4,831	-35.2
Jul 19	129,035	123,651	3,262	5,009	-34.9
Jul 26	99,059	109,042	3,361	5,198	-35.3
Jul 27	99,059	109,042	3,361	5,198	-35.3
Aug 2	111,845	106,826	3,473	5,300	-34.5

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Jul. 27 – Aug. 2, 2009 totaled 111,845 tons, up 12,786 ton from the previous week, and up 5,019 tons from the four-week moving average of 106,826 tons. Exports during Jan. 1 – Aug. 2 totaled 3,472,694 tons, as compared with 5,299,761 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Jul. 31, 2009, amounted to 5,073,206 tons, down 26.2 percent from 6,876,115 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Jul. 13-17, Jul. 20-24, and Jul. 27-31, 2009 are as follows:

Movement (MT)	Jul. 13-17	Jul. 20-24	Jul. 27-31 (Preliminary)
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Weekly sales	108,561	98,161	73,016
4 week sum	470,407	439,642	345,706
4 week mov. avg.	117,602	109,911	86,427
Total weekly sales	3,681,761	3,779,922	3,852,938

End of Report.